

# BABSON EXPECTS HIGHER PRICES TO PREVAIL SOON

General Business Below Normal, But Shows Improvement Over Last Week.

By Roger W. Babson.

Wellesley Hills, Mass., July 29, 1922:—When interviewing Roger W. Babson regarding the railroad and coal strikes, Mr. Babson did not seem surprised with recent developments. He believes that things are working out in a natural way and all interests are doing the best they can with a bad situation. What seems to interest Mr. Babson most is the possible effect on prices in general following the strike settlements. Discussing this possibility he says:

"The strikes while in progress naturally put a general damper on business. They have a disheartening effect on producers, jobbers, and retailers. Wage earners have less to spend and manufacturers are less interested in pushing their business. All of this tends to hold up trade in general. Yet during this period of strikes, people are living, eating, and dressing just as if no strike existed. Houses are deteriorating, young folks are getting married, children are being born, clothes are wearing out, and merchandise in general is being consumed. If deterioration and consumption were suspended during the depression of labor strikes, then strikes might be good for the country at times. Unfortunately, however, the deterioration and consumption goes on even though retail purchases decline.

"This means that after strikes are settled there is a general rush to buy. The wage workers when returning to work again feel prosperous. They and their families rush to the stores and purchase goods. The group of industries which have been involved in the strike immediately receive an avalanche of orders. They in turn feel prosperous and order new machinery and quantities of supplies. This sudden increase in business from both wage workers and employers is quickly felt by the jobbers who in turn pour in orders upon the manufacturers.

"The immediate effect of this is to cause a temporary scarcity of goods which in many instances results in the raising of prices. Therefore, I should not be surprised to see an increase in the wholesale prices of many products this fall. In some sections of the country there will be a distinct shortage in some lines of goods. Merchants, therefore, are justified in stocking up now for fall and winter trade. Those who have contracts to fill should see that these contracts are well covered. When

business is so dull, as it is at present, it is hard to believe that a few months can see a radical change in the situation. Such is possible, altho price increase may be more or less of a temporary nature. I say 'temporary' because after the next spurt in commodity prices, there will probably be another break which will make the general price level even lower than it is at present. After this next upward movement, the general trend of commodity prices may be downward for some years to come.

"Some of the basic commodities are already showing an upward tendency. Sugar, for example, which has been such a drug on the market during the past two years, has already begun to strengthen, and people are well justified in again buying sugar by the barrel. Linseed oil is firmer. The demand has greatly improved and the outlook is very much brighter. I predict further advances for linseed and should not be surprised to see raw linseed oil sell for one dollar or over. This is the general result of the large amount of building now in progress and the consequent demand for paint. Cotton is still strengthening. The recent estimate published shows that the 1922 crop will scarcely be sufficient for the world's needs. Still higher prices for cotton may be expected. Steel prices are firm with rising cost of production and a fair increase in demand. Both coal and coke prices are strong. Pig iron is in fair demand and strong. Zinc is more active while prices are low they are firm. The same applies to tin and especially copper. Copper is the last metal to feel the effects of price movements and copper is sure to sell higher during this coming year following the strike settlements. The basic commodities which now look weak in the market are lead, rubber and probably petroleum. Petroleum is in a very interesting position. The market is controlled and there never was a time, even during the palmiest Standard Oil days, when the oil price situation was so under the absolute control of a few men. On the other hand, there is a tremendous amount of oil in storage and statistically the oil situation is weak. Altho I cannot get anyone to agree with me, I believe that oil is at any time liable to break in price.

"What will this mean to the stock market? It looks to me as if this would be a benefit, especially to the industrials. The clean up of the strike situation should help the whole market. However, any stocks now should be selected with great discrimination, only after careful study and

consultation. Statistics, however, clearly indicate that we are still in a bull market and the break of the past few weeks was only a natural action in a general upward movement which will not culminate for some months yet."

## ILL. U. WORKING ON MOVING PICTURE INVENTION

Machine Will Not Only Photograph But Will Reproduce Sounds

Revolution of the moving picture industry which will influence the moving picture art in all its phases hangs on the invention in the laboratories of the University of Illinois.

Professor Joseph T. Tykociner of that institution has, after twenty years' work, perfected a machine which not only photographs the usual moving picture as we are used to seeing it on the screen but at the same time and on the same film photographs sounds. So far have the experiments gone that the ring of a bell, the slam of a door, and the human voice are reproduced with an accuracy that is uncanny.

With the patenting of this machine the University of Illinois has secured the second of its patents on apparatus fundamental in the art of taking motion pictures. Six months ago

that institution announced that another one of its staff, Professor Jacob Kunz, had perfected a selenium cell which, unlike its predecessors, did not show any fatigue through use.

The apparatus which is working daily at the University takes moving pictures simultaneously with the photographing of the speech of acting persons. The machine is equipped with a mercury arc of special construction. The intensity of light varies in accordance with the speech of the acting person; and the light from the arc is focused upon the moving film by a sound recording instrument. The sound record is a narrow band, of varying transparency, running along the edge of the film. As the film passes through the camera, about two-thirds or three-fourths of it is exposed to the scene being photographed. The remainder of the film is given over to photographing the various sounds. In this manner, action and every sound is reproduced in corresponding places on the record. This guarantees synchronism of visual and sound impression.

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### First Lead Pencils.

The earliest mention of what are known today as lead pencils appears in records dating back to 1565. This was shortly after the discovery of the noted graphite mine at Borrowdale, England, which furnished the material for the first pencils.

Naperville Milk at the Ella Mary Tea Room

# HEALTH

should be the first consideration in the selection of foods for the table.

As a people we do not eat salads frequently enough. They should be served at least once a day.

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It is as delicious as the best home-made product and think of the convenience! It is always ready to serve.

## J. W. NASH

Phone 8

21 South Main Street

General business as reflected in the Babsonchart stands at 11 per cent below normal, an improvement of 2 per cent since last week. This week's figure marks the highest point since January, 1921.

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We can listen to you TODAY

Maybe we can't in JANUARY

Pleas for prompt delivery of coal in January may be in vain, when cold days come.

There is denying that the fuel situation nation is fast assuming a serious aspect with the continued deadlock between coal miners and operators.

Even though the strike were ended tomorrow and all mines resumed full-time operation, there would still be an underproduction throughout the winter.

Order Coal now. It will be an act of wisdom. Deliveries will be slow at the best, but if you order now it will help us make an estimate of the fuel needs in Downers Grove. We are going to use every power within our means to protect our customers and we don't want a one of them to be cold next winter. Place your order today.

Don't gamble your next winter comfort against the chance that coal will be cheaper when the strike ends.

It is possible that it will cost you MORE before the winter is ended. ORDER TODAY.

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